



## Request for City Council Committee Action From the Finance Department

Date: December 1, 2003  
To: Ways and Means Committee  
Referral to: None

**Subject: Extension of the Certified Managed Care and Employment Services  
Contract with CorVel**

**Recommendation:** Authorize an extension of Contract #C98-13050 with CorVel Corporation to continue in the provision of Certified Managed Care and Employment Services to March 31, 2004 at the same administrative fee arrangement. The total sum estimated to be expended in administrative fees is estimated at \$36,250, which is payable from Fund 6900, Agency 820, Org 8290, Object 5070, Sub-Object 19.

Prepared or Submitted by: Ellen Velasco-Thompson, Director, 612 673-3994

Approved by: Patrick Born, City Finance Officer \_\_\_\_\_

John Moir, City Coordinator \_\_\_\_\_

Presenters in Committee: Ellen Velasco-Thompson, Director, Risk Mgmt. & Claims

### **Financial Impact** (Check those that apply)

☒ No financial impact - or - Action is within current department budget.  
(If checked, go directly to Background/Supporting Information)

- ☐ Action requires an appropriation increase to the Capital Budget
- ☐ Action requires an appropriation increase to the Operating Budget
- ☐ Action provides increased revenue for appropriation increase
- ☐ Action requires use of contingency or reserves
- ☐ Other financial impact (Explain):

☐ Request provided to the Budget Office when provided to the Committee Coordinator

### **Community Impact** (use any categories that apply)

- ☐ Neighborhood Notification
- ☐ City Goals
- ☐ Comprehensive Plan
- ☐ Zoning Code
- ☐ Other

☒ Not applicable

**Background/Supporting Information Attached:**

The present contract for Workers' Compensation (WC) Managed Care Services and Employment Medical Services will expire on December 31, 2003. The City's employee Medical Health Insurance Plan was taken to market through an RFP with an additional section to extend coverage for Employment Services. The responses were evaluated and it was decided that there was no financial incentive to combine programs and providers.

Our present provider has documented in a November 25, 2003 letter their agreement to extend our current contract for Workers' Compensation Certified Managed Care and Employment Services with the City an additional three months to March 31, 2004, at the same contract rates as stated in Contract C98-03050. The administrative services fees for the three-month period will not exceed \$36,250.

The Finance Department has an RFP that is being reviewed by the PRC and will be released in January 2004. This will allow potential providers sufficient time to evaluate and respond to our WC Managed Care Program and unique Employment Services needs.

It is our recommendation that the City Finance Officer be authorized to extend the CorVel Corporation contract for an additional three months while the programs are taken to an open market through a Request for Proposal.